

**California Department of Food and Agriculture**  
**Division of Fairs & Expositions**  
**OPTIONAL FAIR FUNDING PROGRAMS**  
**2003/2004**

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## Memorandum

To: All Fair CEOs

Date: December 23, 2003

Ref: F 2003-30

Place: Sacramento

Telephone: (916) 263-2459

From: Department of Food and Agriculture – Brock Wimberley, Operations Mgr.  
Division of Fairs and Expositions  
1010 Hurley Way, Suite 200  
Sacramento, CA 95825

Subject: 2003/04 Optional Fair Funding Programs

This packet includes information on the 2003/2004 Optional Fair Funding Programs offered this fiscal year. Please refer to the enclosed program instruction guides and applications for detailed information to access funding. We encourage all eligible fairs to utilize these programs to maximize available resources.

Below is a summary of programs and respective application due dates:

<b><u>PROGRAM TITLE</u></b>	<b><u>DUE DATE</u></b>
Revenue Generating Program – Phase I	February 15, 2004
Phase II	June 30, 2004
Millennium Flex Program	March 15, 2004
American with Disabilities Act (ADA) Program	April 15, 2004
Major Maintenance Program (MMP)	April 15, 2004
Emergency Program	Continuous
Fair Installment Loan Program	Temporarily Suspended

In addition, you may view or download program instruction guides and applications by visiting the F&E web site at [www.cdfa.ca.gov/fe](http://www.cdfa.ca.gov/fe). If you have additional questions about any of the programs in this package or how to apply for funding, please contact Pieter Tiche at (916) 263-2935 or via email at [ptiche@cdfa.ca.gov](mailto:ptiche@cdfa.ca.gov); or myself at (916) 263-2951 or via email at [bwimberley@cdfa.ca.gov](mailto:bwimberley@cdfa.ca.gov).

# California Department of Food and Agriculture Division of Fairs and Expositions



## 2003/2004 F&E Optional Fair Funding Program Update

General Information call 916-263-2935

### HIGHLIGHTS

This program update contains information we hope you will find useful when completing the enclosed program applications. The programs listed below are offered for the 2003/2004 fiscal year.

<u>PROGRAM TITLE</u>	<u>APPLICATION DUE DATE</u>
Revenue Generating Program – Phase I	February 15, 2004
Phase II	June 30, 2004
Millennium Flex Program	March 15, 2004
Americans with Disabilities Act (ADA) Program	April 15, 2004
Major Maintenance Program (MMP)	April 15, 2004
Emergency Program	Continuous

We continue our commitment to improve the quality of services provided to the network of California fairs through the application of sound oversight and consistent customer service. With this in mind, F&E welcomes your ideas and perspectives to strengthen the California Fair industry. If you are visiting Sacramento, please stop by our offices to say hello.

### EXISTING PROGRAMS

#### **MILLENNIUM FLEX PROGRAM**

2003/2004 Millennium Flex Program funding has been budgeted at approximately \$4,645,000. This incentive program has been designed to provide support for eligible fairs that demonstrate their use of “best business practice” principles. For 2003/2004, all fairs that receive an annual performance rating of “A” or “B” are eligible for the Millennium Flex Program. Category 2 is new this year and provides funding for fair capital improvements. Fairs with a performance rating of “C” are not eligible for funding. Co-funding will be encouraged and considered in the proposal review process. “A” rated fairs will receive advance disbursement of eligible funding. “B” rated fairs are eligible to receive reimbursement for qualifying expenditures based on the criteria in the enclosed instruction guide.

**Category 1:** Available for all fairs with a performance rating of “A” or “B”:

Class I - V	\$30,000
Class VI – VII	\$25,000

**Category 2:** Available to all fairs with physical sites and restricted to address fair capital improvements. Includes Level 4 ADA and MMP projects requested by fairs and identified by the Engineering Review Committee.

### **AMERICANS WITH DISABILITIES ACT AND MAJOR MAINTENANCE PROGRAMS**

In 2003/2004, the Network of California Fairs Annual Expenditure Plan did not separately budget for ADA or MMP projects. Instead, the Millennium Flex Program was expanded to provide fairs with funding to make capital improvements. However, a number of category 4 projects (immediate health and safety concerns) were funded through the Millennium Flex Program to address the issue of public safety.

We are requesting fairs to complete applications for ADA and MMP projects in order for F&E and CCA to provide uninterrupted and effective construction services. The information provided will assist F&E, CCA and the Engineering Review Committee in prioritizing projects based on the fairs' highest priorities for both the Major Maintenance Program (MMP), and Americans with Disabilities Act (ADA) Program. The final filing date for both programs is April 15, 2004.

### **REVENUE GENERATING PROGRAM**

Funding for 2003/2004 has been budgeted at \$1,000,000 for revenue generating projects. Project applications will be accepted in two (2) phases, each with \$500,000 of available funding. A committee which includes CFA members, and staff from Joint Powers Authorities and F&E will make recommendations to F&E.

### **FAIR INSTALLMENT LOAN PROGRAM**

The FILP balance is below the recommended minimum level to provide one year of Base Allocation funding. The application process will be reopened with distribution of new criteria once minimum levels have been reached.

### **EMERGENCY PROGRAM**

This program is designed to provide an additional source of funds in times of emergencies for the network of California fairs. California fairs may submit funding requests to help pay for damages from natural disasters, which include, but are not limited to, earthquakes, floods, tornados, fires, etc. We have also expanded the program to include two categories, which represent different funding levels.

California Department of Food and Agriculture  
Division of Fairs and Expositions

**2003/2004 Optional Fair Funding Programs**

PROGRAM ASPECTS	MAJOR MAINTENANCE PROGRAM	CAPITAL IMPROVEMENT PROGRAM *1999-2001	REVENUE GENERATING PROGRAM \$1,000,000	FAIR INSTALLMENT LOAN PROGRAM
<b>Program Purpose</b>	Designed to reduce public exposure to health and safety risks and maintain critical facilities.	Designed to provide funds for capital improvements to enhance fair facilities. <i>*Program currently suspended*</i>	Designed to generate <i>new</i> net revenue sources for fair organizations.	Designed for infrastructure development, expansion of revenue sources, or large-scale maintenance projects related to health and safety issues.
<b>Qualifications and Limitations</b>	Limited to major maintenance projects such as health and safety.	Must support strategic plan; substantiate ability to maintain; demonstrate project priority in view of facility need and community benefit.	Limited to revenue generating projects that meet or exceed pro forma requirements.	<b>Program temporarily suspended.</b>
<b>Application Period</b>	Applications postmarked no later than April 15, 2004.	Continuous	Phase I – February 15, 2004	
<b>F&amp;E Funding Limitation</b>	\$200,000 aggregate. 5 projects Max	Holding account balance for each fair.	\$100,000 per project	
<b>Matching Funds Requirement</b>	Not required, but is a strong consideration in project selection criteria.	Not required, but is strongly recommended	Class I – III 20% Class IV - VII 40%	
<b>Term of Funding</b>	Project based.	Designated allocations in holding accounts until depleted.	Project based.	
<b>Interest Rate</b>	Not applicable.	Not applicable.	Not applicable	
<b>Eligibility for Project Funding</b>	Approved budget & statement of operations; not significantly out of compliance with CDFA reporting requirements, standards and audit findings.	Approved budget & statement of operations; not significantly out of compliance with CDFA reporting requirements, standards and audit findings.	Approved budget & statement of operations; not significantly out of compliance with CDFA reporting requirements, standards and audit findings.	
<b>Reporting Requirement</b>	Not applicable.	Not applicable.	Annual report due with STOP or by February 15 <sup>th</sup> of each year after project completion.	

California Department of Food and Agriculture  
Division of Fairs and Expositions

**2003/2004 Optional Fair Funding Programs**

PROGRAM ASPECTS	AMERICANS WITH DISABILITIES ACT (ADA) PROGRAM	MILLENNIUM FLEX PROGRAM \$4,645,000	EMERGENCY PROGRAM \$100,000
<b>Program purpose</b>	Designed to provide funds for infrastructure improvements intended to increase accessibility to individuals with physical limitations.	Provides funding for the purchase of info. technology, compliance training expenses, real estate analysis, alternative financial opportunities, agricultural education, equipment purchases, capital improvements, address an audit finding or health/safety issue, etc.	Provides the network of California fairs an Emergency funding source for repairs that F&E, CCA, CFSA, and Fair deem necessary for the immediate safety and well being of the fair, fair staff, and its patrons.
<b>Qualifications and Limitations</b>	Must have an ADA Compliance Plan on file with F&E.	Performance Rating of "A": Fair automatically qualifies. Performance Rating of "B": Detailed description of project scope, intended outcomes and/or benefits, comprehensive budget and address "key issues" and audit findings. Submit the "Claim for Reimbursement".	Limited to damage caused by "Natural Disasters" to buildings, structures, grounds, and utilities.
<b>Application Period</b>	Applications postmarked no later than April 15, 2004.	Applications postmarked no later than March 15, 2004 and funds dispersed by June 30, 2004	Continuous
<b>F&amp;E Funding Limitation</b>	\$200,000 aggregate. 5 projects Max	Class I to V: up to \$30,000 Class VI to VII: up to \$25,000	Amount based on meeting program requirements, availability of funds, and the severity of the emergency.
<b>Matching Funds Requirement</b>	Not required, but is a strong consideration in project selection criteria.	Not required.	Not required, but strongly recommended.
<b>Term of Funding</b>	Project based.	2003/2004 fiscal year.	Project based.
<b>Interest Rate</b>	Not applicable.	Not applicable.	Not applicable.
<b>Eligibility for Project Funding</b>	Approved budget & statement of operations; not significantly out of compliance with CDFA reporting requirements, standards and audit findings.	Fair Performance Rating of "A" or "B".  Fairs with a Performance Rating of "C" are not eligible for funding.	Approved budget & statement of operations; not significantly out of compliance with CDFA reporting requirements, standards and audit findings.
<b>Reporting Requirement</b>	ADA Compliance Plan on file with F&E.	Not applicable.	Not applicable.

California Department of Food and Agriculture  
Division of Fairs & Expositions

## **FAIRS APPEAL PROCESS**

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Business and Professions (B&P) Code Section 19622.1(b) states “The Department of Food and Agriculture may withhold or restrict allocations to fairs that do not comply with this section or the fiscal standards or administrative standards established by the department. The department shall establish an appeal process for fairs regarding funds that are withheld or restricted.”

The Fairs Appeal Process (FAP) is intended to meet the requirements of B&P Code 19622.1(b) by establishing a formal process for fairs to appeal and address funding and program decisions made by the Division of Fairs and Expositions (F&E). The FAP is not intended to advise or imply to the fair industry that the FAP is the preferred method for problem solving with F&E. F&E continues to support an “open door policy” and pledges its commitment to open communications in support of the network of California fairs and the interest of the State of California. Fairs are encouraged to contact F&E at any time to discuss issues in order to arrive at a fair and equitable solution.

### **Applicability**

The FAP applies to all fair funding programs as outlined in the Annual Expenditure Plan, as well as the annual budget process.

### **Time Limits**

All parties involved in the FAP should act quickly so that the issue(s) may be resolved promptly. Every effort should be made to complete the action within the time limits contained in the FAP. However, with mutual consent of the fair and F&E, the time limitation for any level may be extended.

### **Request for Appeal**

- Fairs that utilize the FAP are limited to two representatives at meetings with F&E.
- Fairs are required to provide the F&E Director with a brief and concise letter that details the nature of the appeal. The letter should reference the FAP as the method for resolving the issue(s).

### **Level 1 – F&E Operations/Program Manager**

Fair representatives shall contact the F&E Operations Manager, or Program Manager overseeing the program at issue, within fourteen (14) business days of the event or circumstance giving rise to the appeal. Within fourteen (14) business days after the discussion, the Operations Manager, or Program Manager, shall provide a written decision or response to fair management.

### **Level 2 – Assistant Director**

If the appeal is not resolved to the satisfaction of fair management, the appeal may be forwarded to the F&E Assistant Director. The appeal must be filed within fourteen (14)

business days after receipt of the decision rendered (as ascertained by the postmark) at Level 1.

Within fourteen (14) business days after receipt (as ascertained by the postmark) of the Level 2 appeal, the Assistant Director or his/her designee shall meet or discuss with the fair representatives the basis of the Level 2 appeal. The Assistant Director shall respond in writing to fair management within fourteen (14) business days.

### **Level 3 – Division Director**

If fair management is not satisfied with the decision rendered at Level 2, the fair may appeal the decision within fourteen (14) business days after receipt of the Level 2 decision or response (as ascertained by the postmark) to the F&E Division Director, or his/her designee. Within fourteen (14) business days after receipt of the Level 3 appeal (as ascertained by the postmark), the Division Director or his/her designee shall respond in writing to fair management.

In the rare event that a resolution cannot be achieved after the Level 3 appeal process, a meeting with F&E management will be required to explore additional options available to the fair.



California Department of Food and Agriculture  
Division of Fairs & Expositions

## **AMERICANS WITH DISABILITIES ACT PROGRAM**

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### **2004/2005 Instruction Guide**

The Americans with Disabilities Act (ADA) Program's purpose is to fund fair facility projects intended to improve fairground accessibility and accommodations for individuals with physical disabilities and address immediate health and safety concerns.

Fair organizations may utilize the information in this program description to assist them in the preparation of ADA Program funding requests. The review process and project approval for ADA funding will be separate from the Major Maintenance Program (MMP) process. Fair organizations may request funding for ADA in 2004/2005 that:

- Were not funded through the previous ADA program process; or
- Have been identified as needing ADA improvements since submittal of previous ADA Site Surveys.

#### **Program Eligibility**

The following criteria apply to the type of projects for which fair organizations may request funding. This is intended to help fairs avoid developing funding requests for non-qualifying projects.

- The projects must address the fair organization's needs in complying with ADA requirements. Funding for facility construction, improvement, or repairs that do not relate to ADA compliance will not be considered for funding.
- F&E does not provide funding for repairs or maintenance of the CEO's residence. If on-site housing needs to be brought into ADA compliance, the fair organization must use fair resources for this purpose

#### **Application Process**

Requests for ADA funding must apply to and describe a specific ADA project site. The completed "ADA Project Sites Survey" (Attachment A) should identify and prioritize **all** ADA projects. The survey must be accompanied by a separate "Request for ADA Project Funding" (Attachment B) for each project listed on the site survey. Please submit five (5) copies of the complete plan (do not fax) to:

Division of Fairs and Expositions  
1010 Hurley Way, Suite 200  
Sacramento, CA 95825  
Attn: Pieter Tiche

#### **Program Deadline**

All requests must be **postmarked** no later than April 15th, 2004.

#### **Selection Criteria**

While the funds available for this program are limited, it is important that **all** category 4 ADA needs are identified in your ADA program application. Funding requests will be approved on the basis of their relative urgency, priority, and impact/benefit to the fair. F&E, Fair Managers, California Construction Authority (CCA) and California Fairs Services Authority (CFSA) will form a committee to review proposed projects and select those projects determined to have greatest priority.

Specifically, the review committee will weigh the following factors of each funding request:

- Co-funding
- Overall public risk
- Overall facility risk
- Overall fair industry risk

To be considered, each fair organization's ADA funding request must be submitted completely and accurately.

### **ADA Project Sites Survey**

The purpose of the survey form is to provide documentation of **all** category 4 projects necessary to bring fairgrounds into compliance with the ADA. Please follow the instructions below to complete the attached form:

- List all identified ADA projects in priority order.
- A project site should be defined by the building or area on the fairgrounds and the type of improvement to be made.
- Enter the amount of expected funding for each project according to funding source in the appropriate column. For your reference:

1. Fair Funds	Cash for materials, contracts or outside labor
2. Donations	Cash only; do not include in-kind services
3. Other F&E Program Support	Other F&E program funds requested (i.e., Millennium Flex, Capital Improvement)
4. ADA Program Support	ADA program funding requested to complete the project
5. Total Project Cost	Total of all funding sources to complete the project
6. Project Estimate	Estimate for total project cost

### **Request for ADA Project Funding**

The fair must complete a separate request form for each ADA project site the fair organization wishes to fund in 2004/2005. Do not exceed the one page limitation for each request, except to add related attachments (photos or maps).

Project selection and funding approval will be based on the information contained on the project description forms. Project proposals with incomplete project description forms will be withdrawn from further consideration.

Each request must include the name of the fair organization, a title for the ADA project site, an estimate of the total costs of the project, and the amount of funding requested. Also, the request form has four essay sections. Below are descriptions of the information for each section:

- *Project Scope:* Description of the project site in terms of what kind of improvement needs to be undertaken, and its location(s) on the fairgrounds.
- *Justification as an ADA Project:* Description of how, by what criteria and by whom the project was identified as an ADA project.
- *Need for ADA Funding Support:* Explanation of why the fair requires ADA funding from F&E to complete the project.

- *Project Priority:* Explanation of the urgency or priority of this project in terms of its impact on the facility's accessibility and/or accommodation for disabled persons.

### **ADA Compliance Plans**

Projects will not be approved to begin construction until an ADA compliance plan has been submitted to F&E. ADA compliance plans should, at a minimum:

- Identify what ADA projects have been completed to date;
- Identify the remaining ADA projects necessary to become ADA compliant; and
- Identify how and when the fair organization plans to achieve ADA compliance.

### **Questions?**

Questions and/or comments [s](#) regarding the ADA Program can be directed to:

Pieter Tiche  
Fairs and Expositions  
(916) 263-2935  
(916) 263-2969 fax  
E-mail: [ptiche@cdfa.ca.gov](mailto:ptiche@cdfa.ca.gov)

# ADA PROJECT SITES SURVEY

Fair organization: \_\_\_\_\_

## List of Priorities for Year 2004/2005:

PRIORITY	PROJECT SITE DESCRIPTION	FAIR FUNDS	DONATION	OTHER F&E PROGRAM SUPPORT	ADA FUNDING REQUESTED	TOTAL PROJECT COST
<b>1</b>						\$ -
<b>2</b>						\$ -
<b>3</b>						\$ -
<b>4</b>						\$ -
<b>5</b>						\$ -
<b>6</b>						\$ -
<b>7</b>						\$ -
<b>8</b>						\$ -
<b>9</b>						\$ -
<b>10</b>						\$ -
<b>11</b>						\$ -
<b>12</b>						\$ -
<b>13</b>						\$ -
<b>14</b>						\$ -
	<b>TOTALS \$</b>	\$ -	\$ -	\$ -	\$ -	\$ -

# REQUEST FOR ADA PROJECT FUNDING

Fair Organization: \_\_\_\_\_

Project Site Title: \_\_\_\_\_

Estimate of total  
cost for project:

Amount of ADA funding  
requested:

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**PROJECT SCOPE** *(describe the project site in terms of what kinds of work needs to be done and its location on the fairgrounds)*

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**JUSTIFICATION AS AN ADA PROJECT** *(describe how, by what criteria, and by whom the project site was identified as ADA project)*

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**NEED FOR ADA PROGRAM FUNDING** *(explain why the fair organization requires ADA funding from F&E to complete the project)*

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**PROJECT PRIORITY** *(explain the urgency or priority of this project in terms of its impact on the facility's accessibility for disabled persons)*

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# REQUEST FOR ADA PROJECT FUNDING

Fair Organization: ANYWHERE FAIR

Project Site Title: BATHROOM ADA MODIFICATIONS

Estimate of total cost for project:	<u>\$10,000</u>	Amount of ADA funding requested:	<u>\$10,000</u>
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**PROJECT SCOPE** *(describe the project site in terms of what kinds of work needs to be done and its location on the fairgrounds)*

GOOD EXAMPLE: "Bring a bathroom up to current ADA codes. Bathroom is located in the main exhibit hall and consists of trough urinals, 4 stalls, none with handicap access. Trough urinals to be replaced with 3 urinals, new partitions on stalls with adequate handicap spacing."

BAD EXAMPLE: "ADA modifications for bathroom."

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**JUSTIFICATION AS AN ADA PROJECT** *(describe how, by what criteria, and by whom the project site was identified as ADA project)*

GOOD EXAMPLE: "The bathroom cost \$3,000 to maintain and repair over the last two years. The \$10,000 needed to repair the bathroom should prevent these costs from recurring. The bathroom was identified as a health and safety risk by a Safety Specialist from the California Fairs Services Authority (CFSA). The attached pictures show the deteriorated condition of the bathroom. Rust has caused holes in several partitions. The plumbing has failed three times in the past year, causing water damage and the chance of slip and fall injuries."

BAD EXAMPLE: "Bathroom is dangerous."

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**NEED FOR ADA PROGRAM FUNDING** *(explain why the fair organization requires ADA funding from F&E to complete the project)*

GOOD EXAMPLE: "In order to save \$15,000 to balance the 2003 budget, the fair board had to reduce a half-time maintenance person." **OR** "Fair revenue decreased by 4 percent in 2002."

BAD EXAMPLE: "No fair money is available."

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**PROJECT PRIORITY** *(explain the urgency or priority of this project in terms of its impact on the facility's accessibility for disabled persons)*

GOOD EXAMPLE: "We expect at least 50,000 visitors during the fair this year. It will be critical for this project to be completed by opening day so that we may meet the needs of our customers."

BAD EXAMPLE: "Must be done by fair time."

California Department of Food and Agriculture  
Division of Fairs & Expositions

## MAJOR MAINTENANCE PROGRAM

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### 2004/2005 Instruction Guide

The Major Maintenance Program (MMP) is intended to: 1) address immediate health and safety concerns, 2) reduce public exposure to health and safety risks on fairgrounds; and 3) maintain critical fair facilities.

Fair organizations are required to submit an annual major maintenance plan to be eligible for funding from the Division of Fairs & Expositions (F&E) Major Maintenance Program. This set of instructions is designed to assist fair organizations in the preparation of their requests for 2004/2005 MMP funding.

Based upon submitted MMP applications, a list of recommended projects and corresponding funding will be developed for infrastructure and health and safety projects for the 2004/2005 fiscal year.

#### Application Process

Requests for MMP funding must apply to and describe a specific MMP project site. The completed "MMP Project Budgets" (Attachment A) should identify and prioritize MMP projects. The Project Budgets must be accompanied by a separate "MMP Project Description" (Attachment B) for each project listed. Please submit five (5) copies of the complete plan (do not fax) to:

Division of Fairs and Expositions  
1010 Hurley Way, Suite 200  
Sacramento, CA 95825  
Attn: Pieter Tiche

#### Forms

Applications are not considered complete unless the following two (2) forms are submitted with complete and accurate information. Should the fair need assistance in completing these forms, please contact Pieter Tiche at the number shown below.

##### 1. Project Budgets Form (Attachment A)

The 2004/2005 project budgets form is designed to capture funding sources and estimated project cost. Prepare a prioritized list of projects to be considered for MMP funding consideration. Please follow the instructions below to complete the form correctly.

- *Source of Estimate:* Enter "**F&E**" if the estimate is based on an F&E or CCA engineering estimate; enter "**Fair**" if the estimate is based on the fair's cost estimate.
- *Project Title:* Enter project name.
- *Fair Funds:* Cash for materials, contracts or outside labor.
- *Donations:* Cash only; **do not** include in-kind services.
- *Other F&E Program Support:* Refers to other F&E program funds, such as the Capital Improvement Program, Millennium Flex, etc.
- *MMP Program Funds:* Refers to the amount of MMP program funds requested for the project.

**NOTE:** Before claiming reimbursement for project costs, fairs must reconcile actual project costs with the original project budget <sup>1</sup>. Fairs **cannot** use ADA funds for MMP projects.

## **2. Project Description Form (Attachment B)**

If the fair is requesting MMP Program Funds for **any** project(s) listed on the 2004/2005-project budgets form, the fair must complete a 2004/2005 Project Description form for each project proposed.

Project selection and funding approval will be based on the information provided in the project description forms. Failure to provide the information requested, which is specific to the 2004/2005 project selection criteria, will cause project proposals to be withdrawn from further consideration. Do not exceed the one page limitation for each project description, plus related attachments (photos or maps).

Listed below are descriptions of the 2004/2005 Project Description Form sections to be completed. An example of a completed Project Description Form is included to assist you.

- *Project Scope:* Describe specifically what needs to be done.
- *Health/Safety Risk:* Evaluate the severity of risk to public health and safety. This may be identified in your most recent California Fairs Services Authority (CFSA) Safety Report.
- *Need for F&E Funding Support:* Explanation of why the fair needs funding from F&E to complete the project.
- *Benefits of the Project, Contingency Plan if Project Not Approved:* Detailed explanation of the fiscal impact. Also describe any impact related to health & safety, compliance or other.
- *Required Project Completion Date:* A projected completion date, clearly defined as to whether this is the date by which the project must be completed or a non-critical completion date.

## **Program Deadline**

Completed plans must be postmarked no later than April 15th, 2004.

## **Restrictions**

The following restrictions limit the number of projects for review by the selection committee. Thus, it is requested that fairs prioritize their project proposals based on the greatest need.

- Fair organizations may not submit more than five (5) proposed projects requesting F&E project support. The aggregate total of F&E funds requested may not exceed \$200,000.
- Only major, non-routine maintenance projects, such as building renovations or replacement, roof repairs, and major utility upgrades should be included in the MMP. Routine projects such as painting, tree pruning, and servicing of vehicles should be funded by the fair organization and included in the fair organization's budget.
- F&E does not provide funding for repairs or maintenance of the CEO's residence. If on-site housing is to be maintained, the fair organization must use fair resources for this purpose.

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<sup>1</sup> F&E Policy Manual Section P405.1



- F&E does not provide funding for on-site fuel storage.

### **Selection Criteria**

In general, projects of more than \$2,500 are considered major maintenance projects. The criteria for selection of the 2004/2005 MMP projects are below:

- Co-funding
- Public health and safety
- Federal / State mandated programs
- Overall facility benefit (infrastructure)<sup>2</sup>
- Cost versus benefit
- Quality of application/estimate
- Compliance with other F&E standards

### **Questions?**

Please direct any questions regarding the MMP funding request process to:

Pieter Tiche  
Fairs and Expositions  
(916) 263-2935  
(916) 263-2969 fax  
E-mail: [ptiche@cdfa.ca.gov](mailto:ptiche@cdfa.ca.gov)

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<sup>2</sup> Fair infrastructure includes sewer/water systems, electrical systems, gas distribution systems, critical vehicular and pedestrian circulation systems and significant structural deficiencies.

**FAIR: ANYWHERE FAIR**  
**DIVISION OF FAIRS AND EXPOSITIONS**  
**MAJOR MAINTENANCE PROGRAM**  
**2004/2005 PROJECT DESCRIPTION FORM**

**Project Title:** \_\_\_\_\_ **Total Project Cost:** \_\_\_\_\_

**PROJECT SCOPE** *(describe specifically what needs to be done)*

GOOD EXAMPLE: "Re-roof Exhibit Building. Exhibit Building is the Fair's primary revenue generating source for interim rentals. The roof leaks with any rain, causing damage in the ceiling, walls and wood floor. Fair Maintenance has been mitigating damage to the walls, but mold and water have destroyed several areas of drywall. See attached pictures."

BAD EXAMPLE: "Re-roof Exhibit Building."

**HEALTH/SAFETY RISK** *(evaluate the severity of risk to public health and safety. This may be identified in your most recent California Fairs Services Authority (CFSA) Safety Report.)*

GOOD EXAMPLE: "Risk of slip and fall accidents due to wet floors, resulting in personal injury and lawsuits. Breathing hazards due to mold. Also, vendors have lost inventory due to water damage from overnight rain. These issues were identified in the 2004 CFSA Safety Report."

BAD EXAMPLE: "People could get hurt."

**NEED FOR F&E PROJECT FUNDING SUPPORT** *(explain why the fair needs funding from F&E to complete the project)*

GOOD EXAMPLE: "In order to save \$15,000 to balance the 2004 budget, the Fair board had to reduce a half-time office person" OR "Fair revenue decreased by 4 percent in 2004."

BAD EXAMPLE: "No fair money is available."

**BENEFITS OF THE PROJECT, CONTINGENCY PLAN IF PROJECT NOT APPROVED** *(quantify revenue impact, cost/benefit, capital recovery, describe any related health and safety impact, contingency plan if the project is not approved)*

GOOD EXAMPLE: "This building currently generates an interim revenue of \$10,000. If the Fair is to maintain, if not increase, rental revenue through interim event usage, it is critical that the roof of this building be repaired. Repair of the roof will also mitigate the chance of slip and fall accidents, as well as alleviate the chance of vendor inventory damage. If F&E does not fund this project, the Fair will continue to mitigate the damage of the leaking roof (estimated annual cost of \$3,000)."

BAD EXAMPLE: "If the roof is not repaired, the fair will lose money."

**REQUIRED PROJECT COMPLETION DATE** *(provide project completion date. Identify as to whether this completion date is critical or non-critical. If critical, please explain. If the project must be completed before fair, please attach a detailed explanation of the emergency nature of the project)*

**Required Completion** 10/15/04

**Before fair:** YES ☒ NO ☐ **Completion Date Not Critical** ☐

GOOD EXAMPLE: "The Exhibit Building is reserved for interim events up to fair. It is critical the requested major maintenance be completed before fair in order to reduce increased maintenance costs, eliminate potential slip and fall accidents, and ensure a viable revenue source. This project needs to be completed before the winter rains."

BAD EXAMPLE: "Must be done before Fair."

**FAIR:** \_\_\_\_\_  
**DIVISION OF FAIRS AND EXPOSITIONS**  
**MAJOR MAINTENANCE PROGRAM**  
**2004/2005 PROJECT DESCRIPTION FORM**

Project Title: \_\_\_\_\_ Total Project Cost: \_\_\_\_\_

**PROJECT SCOPE** *(describe specifically what needs to be done)* \_\_\_\_\_

**HEALTH/SAFETY RISK** *(evaluate the severity of risk to public health and safety. This may be identified in your most recent California Fairs Services Authority (CFSA) Safety Report.)* \_\_\_\_\_

**NEED FOR F&E PROJECT FUNDING SUPPORT** *(explain why the fair needs funding from F&E to complete the project)* \_\_\_\_\_

**BENEFITS OF THE PROJECT, CONTINGENCY PLAN IF PROJECT NOT APPROVED** *(quantify revenue impact, cost/benefit, capital recovery, describe any related health and safety impact, contingency plan if the project is not approved)* \_\_\_\_\_

**REQUIRED PROJECT COMPLETION DATE** *(provide project completion date. Identify as to whether the completion date is critical or non-critical. If critical, please explain. If the project must be completed before fair, please attach a detailed explanation of the emergency nature of the project)* \_\_\_\_\_

Required Completion Date: \_\_\_\_\_

Before fair: YES ☐ NO ☐ Completion Date Not Critical ☐

**FAIR**

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**DIVISION OF FAIRS AND EXPOSITIONS**

**MAJOR MAINTENANCE PROGRAM**

**2004/2005 PROJECT BUDGETS**

SOURCE OF ESTIMATE	PROJECT TITLE	FAIR FUNDS	DONATION	OTHER F&E PROGRAM FUNDS	MMP PROGRAM FUNDS	TOTAL PROJECT COST
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
	TOTALS \$	\$0	\$0	\$0	\$0	\$0

California Department of Food and Agriculture  
Division of Fairs & Expositions  
**MILLENNIUM FLEX PROGRAM**

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**2003/2004 Instruction Guide**

The 2003/2004 Expenditure Plan approved by the Joint Committee on Fairs Allocation and Classification includes approximately **\$4,645,000** for the Millennium Flex Program. This year's program includes funding for fair capital improvements, which incorporates priority health and safety projects (Level 4 ADA/MMP) identified by the Engineering Review Committee. Funding is subject to availability of license fee revenues.

The Millennium Flex Program is *incentive* based and provides funding for a broad range of fair activities and infrastructure needs, provided that fairs follow best business practices. Only those fairs with a performance rating of "A" or "B" are eligible for funding of qualified expenditures in the following two (2) categories.

**Category 1:** General Allocation – See qualifying expenditures listed below.

Class I – V	\$30,000	Class VI – VII	\$25,000
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**Category 2:** Fair Capital Improvements – Funding is available for fairs with physical fair sites and restricted to address fair capital improvements. Funding includes Level 4 ADA/MMP projects requested by fairs and identified by the Engineering Review Committee. Fairs that received funding for Level 4 ADA/MMP projects are required to complete those projects. These monies are not discretionary. All eligible fairs will receive a minimum of \$27,000 for capital improvements. See enclosed schedule for proposed funding levels (Attachment C).

**Program Eligibility**

Fairs will receive a performance rating of "A", "B", or "C" to determine eligibility. Fair performance ratings will be conducted in early 2004 after receipt and review of 2003 Statement of Operations (STOP) and CDFA Audit reports. Only fairs with performance ratings of "A" or "B" are eligible for funding of qualifying expenditures based on the following performance ratings:

- "A": Eligible for funding of qualified expenditures.
- "B": Eligible for funding of qualified expenditures based on F&E approved "Funding Application" (Attachment A).
- "C": Not eligible for funding.

**Funding Disbursement**

Fund disbursements for Categories 1 and 2 are based on the following performance ratings:

- "A": Fairs will receive advance disbursement to be used for qualified expenditures.
- "B": Fairs will receive reimbursement of qualified expenditures after F&E has approved the "Funding Application" and "Claim for Reimbursement/Report of Expenditure".

With the exception of health and safety priorities and programs funded from the Satellite Wagering Account, base allocation distributions will take priority over other fair program distributions (e.g., Millennium Flex, Rev. Gen.).

## Application Process

The application process is based on the following fair performance ratings:

- “A”: Fair automatically qualifies, no application required.
- “B”: Approved “Funding Application” (Attachment A) and “Claim for Reimbursement/Report of Expenditure” (Attachment B) forms are required.

The “Funding Application” must contain a detailed description of the project scope, a comprehensive budget, detailed description of the intended outcomes and/or benefits, address the key issues identified in the performance rating matrix provided to each fair organization, and address audit findings. Co-funding is encouraged and considered in the proposal review process.

## Reporting

All fairs will be required to report how Millennium Flex funds were utilized. Invoices and receipts for actual project specific expenses are to be maintained by fair staff for future Audit Office purposes. For “A” rated fairs, the “Claim for Reimbursement/Report of Expenditure” must be submitted to F&E by June 30, 2004, **after** expenditure of program funding. This new reporting requirement for “A” rated fairs is necessary to continue the practice of advance disbursement for local management.

For “B” rated fairs, submission of the “Claim for Reimbursement/Report of Expenditure” to F&E by June 30, 2004 satisfies their reporting requirement. This form must be received by F&E **prior** to reimbursement of qualifying expenditures.

## Forms

1. Funding Application – Applies **only** to “B” rated fairs.

- Submit a “Funding Application” (Attachment A) to F&E.
- Application must contain the following information:
  - a) Contact information;
  - b) Funding amount requested;
  - c) Detailed project description, scope, intended outcomes/benefits, key issues;
  - d) Project budget/cost estimate; and
  - e) Signature of the CEO.

2. Claim for Reimbursement/Report of Expenditure – Applies to **both** “A” and “B” rated fairs.

With the advance disbursement of funding for “A” rated fairs, this form serves solely as a report of expenditure to satisfy their reporting requirement. No reimbursement will be made to “A” rated fairs.

This form also serves as a claim for reimbursement for “B” rated fairs to satisfy their reporting requirement. It is the fair’s responsibility to ensure that a “Claim for Reimbursement/Report of Expenditure” (Attachment B) is consistent with the Millennium Flex Program guidelines. Should the fair need clarification as to whether a proposed project or cost meets Millennium Flex Program guidelines, the fair is encouraged to contact F&E prior to expending resources. Before claiming reimbursement for “B” rated fairs, you must reconcile actual project costs with the original project budget. Project expenses will be reimbursed upon receipt and approval of the reconciled “Claim for Reimbursement/Report of Expenditure” form. Invoices and receipts for actual project specific expenses are to be maintained by fair staff for future Audit Office purposes.

In an effort to make the Claim for Reimbursement process efficient for the fair, you may submit reconciled project claims of \$5,000 or more.

Fair-organization funds designated for a project must be expended prior to the disbursement of Millennium Flex Program funds.<sup>1</sup>

### **Program Deadlines**

Completed "Funding Applications" (Attachment A) must be **postmarked** on or before **March 15, 2004**. Completed "Claims for Reimbursement/Report of Expenditure" form (Attachment B) must be **postmarked** on or before **June 30, 2004**. Please send one (1) copy of each form to:

Division of Fairs and Expositions  
1010 Hurley Way, Suite 200  
Sacramento, CA 95825  
Attn: Pieter Tiche

### **Qualifying Expenditures**

Eligible fairs will receive advance disbursement or reimbursement for qualifying expenditures in any of the following areas:

1. Travel and Registration for Approved Training - Travel and registration expenses to attend compliance, professional development and technology training (e.g., accounting, purchasing, contracting, software and other related training). Ensure that Travel Expense Claims (TEC) adhere to state travel guidelines. This will help to ensure travel related expenses are fully reimbursable. Various fairs that submitted TEC's for the 2000/2001 Millennium Program were not approved because they did not adhere to state travel guidelines. TEC questions can be addressed by contacting the California Department of Food and Agriculture, Travel Claims Unit at (916) 654-0282.
2. Information Technology - Purchase of information technology hardware, software and office equipment.
3. Real Estate Analysis and Planning - Real estate analysis, development and planning costs.
4. Alternative Financial Opportunities - Exploration of alternative financial opportunities. This may include master planning, grant writing, sponsorship program development, etc.
5. Equipment Purchases - Maintenance equipment, tractors, lawn mowers, etc. If the planned equipment is "rolling stock" (e.g., automobiles, trucks or forklifts) the fair should continue to coordinate these activities with the California Fairs Services Authority (CFSA) and the California Construction Authority (CCA) prior to the purchase.
6. Capital and Infrastructure Improvements - Capital or infrastructure improvements to fair facilities.
7. Agricultural Education - This may include statewide agricultural education initiatives, a local school project, or other fair initiated agricultural education programs.
8. Backstretch Improvements - Backstretch improvements at racing fairs. Activities are typically coordinated with the California Authority of Racing Fairs (CARF).

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<sup>1</sup> As designated in F&E Policy Manual Section P405.1

9. Audit Issues - To address and remedy an audit concern or finding. This may include hiring staff or professional expertise to execute audit recommendations and other related action items.
10. Health and Safety - Address a health and safety issue (e.g., compliance with the Written Injury, Illness and Prevention Program (WIIPP) mandated by the California Labor Code and California Code of Regulations, Title 8, General Industry Safety Orders).
11. Modernization of Operations - Modernization of operations may include upgrades to the fair's communications system, office equipment, etc.

### **Budget and Accounting Guidelines**

See circular letter F2002-22, "Procedures for Closing Out State Funds" for instructions on accounting for the Millennium Flex Program funds in the Statement of Operations (STOP). Additional instructions for reporting these funds and expenditures were also included with the STOP preparation package distributed to fairs earlier this month.

Additionally, fair organizations must be prepared to substantiate appropriate use of the funding for approved purposes during the annual audit.

### **Questions?**

Questions and comments regarding the Millennium Flex Program can be directed to:

Pieter Tiche  
Fairs and Expositions  
(916) 263-2935  
(916) 263-2969 fax  
E-mail: [ptiche@cdfa.ca.gov](mailto:ptiche@cdfa.ca.gov)



**FAIR**

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**DIVISION OF FAIRS AND EXPOSITIONS**

**MAJOR MAINTENANCE PROGRAM**

**2004/2005 PROJECT BUDGETS**

SOURCE OF ESTIMATE	PROJECT TITLE	FAIR FUNDS	DONATION	OTHER F&E PROGRAM FUNDS	MMP PROGRAM FUNDS	TOTAL PROJECT COST
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
	TOTALS \$	\$0	\$0	\$0	\$0	\$0

**FAIR:** \_\_\_\_\_  
**DIVISION OF FAIRS AND EXPOSITIONS**  
**MAJOR MAINTENANCE PROGRAM**  
**2004/2005 PROJECT DESCRIPTION FORM**

Project Title: \_\_\_\_\_ Total Project Cost: \_\_\_\_\_

**PROJECT SCOPE** *(describe specifically what needs to be done)* \_\_\_\_\_

**HEALTH/SAFETY RISK** *(evaluate the severity of risk to public health and safety. This may be identified in your most recent California Fairs Services Authority (CFSA) Safety Report.)* \_\_\_\_\_

**NEED FOR F&E PROJECT FUNDING SUPPORT** *(explain why the fair needs funding from F&E to complete the project)* \_\_\_\_\_

**BENEFITS OF THE PROJECT, CONTINGENCY PLAN IF PROJECT NOT APPROVED** *(quantify revenue impact, cost/benefit, capital recovery, describe any related health and safety impact, contingency plan if the project is not approved)* \_\_\_\_\_

**REQUIRED PROJECT COMPLETION DATE** *(provide project completion date. Identify as to whether the completion date is critical or non-critical. If critical, please explain. If the project must be completed before fair, please attach a detailed explanation of the emergency nature of the project)* \_\_\_\_\_

Required Completion Date: \_\_\_\_\_

Before fair: YES ☐ NO ☐ Completion Date Not Critical ☐

California Department of Food and Agriculture  
Division of Fairs & Expositions

## EMERGENCY PROGRAM

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### Program Description

The Emergency Program was designed to provide an additional source of funds in times of emergencies for the network of California fairs. California fairs may submit funding requests to help pay for damages from natural disasters, which include but not limited to earthquakes, floods, tornadoes, fires, etc. Fairs can receive Emergency Funding in the following two categories described below:

Category 1: Fund 100% or a % now

Category 2: Wait to end of year to see what's left in the program

### PROGRAM GOAL

Provide the network of California fairs an Emergency funding source for repairs that F&E, CFSA, CCA, and the fair deem necessary for the **immediate** safety and well being of the fair, fair staff, and its patrons.

### Approved Program Uses

- For repairing damage caused by "Natural Disasters" to buildings, structures, grounds, and utilities;
- Ensuring the capability of the fair to remain operating or minimize expenses on long-term repairs.
- For other purposes as the Division of Fairs and Expositions (F&E) determines appropriate.

### Program Approval & Amount

Program approval and amount is based upon: 1) proposal meeting program requirements, 2) the availability of funds, and 3) the severity of the emergency.

### Program Conditions

1. Program funds may not be used to supplement ongoing operational expenses.
2. Program funds must be utilized within 12 months of application or forfeit the funds.
3. Program funds may not be used for the purchase or trade of investment securities.

### Questions?

Please direct any questions regarding the Emergency Program to:

Pieter Tiche  
Fairs and Expositions  
(916) 263-2935  
(916) 263-2969 fax  
E-mail: [ptiche@cdfa.ca.gov](mailto:ptiche@cdfa.ca.gov)

California Department of Food and Agriculture  
Division of Fairs & Expositions  
**REVENUE GENERATING PROGRAM**

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**2003/2004 Instruction Guide**

The Revenue Generating Program, in accordance with Business and Professions Code Section 19620 (b)(5) provides funding incentives to develop, expand, or optimize fair revenue sources, particularly where other sources of funds are insufficient to accomplish the proposed project. The 2003/2004 Expenditure Plan approved by the Joint Committee on Fairs Allocation and Classification includes **\$1,000,000** for the Revenue Generating Program. Through this program, the Division of Fairs & Expositions (F&E) seeks to maintain the fair as a valuable community asset on a long-term basis, improve the fairs' ability to generate **new** net revenue sources, expand opportunities for California fairs, and support long-term development and stability in the industry.

**Program Eligibility**

A project is eligible for funding if:

- Applicant is a Class I-VII fair in the network of California fairs;
- Applicant's budget has been approved by F&E;
- Applicant's Statement of Operations has been approved by F&E.; and
- Applicant is applying for a project that generates **new** net revenues.

**Project Funding**

The Revenue Generating Program is funded on an annual basis, concurrent with the State's fiscal year budget cycle. Funding approval and disbursement will be limited to \$100,000 per fair. Approved funding will be disbursed in two (2) phases (\$500,000 each) that correlate with the application deadlines shown below. Proposal approval and disbursement of funding is expected to take place within forty-five (45) days of program deadlines.

Past performance will play a large role in future funding. Conditions for project proposals are as follows:

- Class I-III fairs may apply for up to eighty percent (80%) of the total project cost;
- Class IV-VII fairs may apply for up to sixty percent (60%) of the total project cost; and
- Construction must begin within one (1) year of project approval. Otherwise, funding will revert to the F&E Fund for reallocation.

Fairs may use their Millennium Flex Program funds to meet the local funding obligation (20% or 40%, depending on fair classification). Revenue Generating proposals should support the fair organization's strategic plan. With the exception of health and safety priorities and programs funded from the Satellite Wagering Account, base allocation distributions will take priority over other fair program distributions (e.g., Millennium Flex, Rev. Gen.).

**Application Process**

To be considered for funding, a proposal must:

- be submitted on fair letterhead;
- include the date of the proposal;

- include a short descriptive project title;
- contain a complete, detailed, and concise description of the proposed project, with supporting documentation, in the format and sequential order described in the Preparation Instructions;
- contain a completed Project Summary Sheet (form RGP-PS);
- be signed by the fair CEO and the board president; and
- be submitted with an original and three (3) copies.

### **Program Deadlines**

The continuous filing period has been replaced with the following two (2) application deadlines:

1. Phase I - Proposals must be **postmarked** on or before February 15, 2004; and
2. Phase II - Proposals must be **postmarked** on or before June 30, 2004.

### **Reporting Requirements**

F&E requires all Revenue Generating projects to report actual revenue and expense figures as compared to projected revenue and expense figures on an annual basis. These figures are subject to review and verification through the CDFA audit process. Reports must be postmarked on or before February 15th of the year following project completion. These reports may be submitted with the annual Statement of Operations (STOP) or under separate cover. Fairs may utilize the "Project Summary/Report" (Attachment A) to satisfy this requirement.

### **Preparation Instructions**

Fair proposals must address the following areas, with supporting documentation, or provide an explanation of why a particular area is not relevant to the project:

- (1) Description. Applicant must provide a complete, detailed, and concise description of the proposed project.
- (2) Compatibility. The proposal must address the compatibility of the venture with community values or the ability of the proposal to generate community-wide income. That is, will the project meet a need of the community or generate more usage of the area's motels, restaurants, service businesses, etc.?
- (3) Local Competition. The proposal must discuss similar current or proposed ventures in the same market area, including an analysis of how these ventures will affect the project being proposed.
- (4) Future Trends. Current and future demographic trends of the area must be discussed, as well as how those trends are expected to affect the estimated revenue. Examples of trends include, but are not limited to: is the population growing or shrinking, getting older or younger? Is the median income growing or shrinking? Is the area evolving from a rural to urban setting? Information and/or data sources must be identified.
- (5) Viability. The proposal must thoroughly discuss the research conducted to ensure the viability of the proposed project. This would include potential customers or users related to the project. In other words, what analysis was conducted that would lead one to believe a proposal would be a success?
- (6) Environmental Considerations. The proposal must reveal if there is any environmental analysis required by law for the construction or operation of the project. The applicant must investigate if the California Environmental Quality Act (CEQA) requires an Environmental Impact Statement for the project. If so, that cost must be included as a construction cost under "Other (specify)".
- (7) Funding. Funding provided by the fair, capital donations, grants, investors or any other source must be discussed fully and supported by documentation, such as signed

letters of intent or contracts, verifying said funding. Unsuccessful attempts to obtain funding should also be discussed.

- (8) **Net Revenue**. The proposal must show that the project provides new net revenue, particularly for projects that are an expansion of an existing revenue source. However, up to 20% of existing revenue source directly related to the project may be considered towards the project. Proposals must have a net income (minimum 80% new, maximum 20% existing) at least equal to the total amount of Revenue Generating Program funds being requested. Net revenues are computed using the Project Summary Sheet, Pro Forma Section.
- (9) **Construction Expenses**. The proposal must realistically consider all costs of construction. Supporting documentation, including plans and specifications must be provided justifying the scope and estimated expense. In addition to the data provided in the Construction Expenses section of the Project Summary Sheet, the following definitions contain requirements for justifying construction expenses:
  - a. *Utility Fees Estimate*: Include fees charged by utility companies to add, upgrade and/or move power, water, gas, sewer and waste disposal, phone services, etc.
  - b. *Materials Cost Estimate*: Include all materials necessary to be purchased to complete the project.
  - c. *Day Labor Cost Estimate*: All day labor costs must be realistically calculated and described.
  - d. *Construction Contracts*: All expenses contracted by the fair to complete construction of the project, such as building, plumbing, electrical, etc.
  - e. *Other (specify)*: Any other construction expense not included above must be described and included. (e.g. lost revenue due to construction).
  - f. *Contingency Fund*: A minimum of 5 percent (5%) of the total construction expenses must be set aside as a contingency fund.
  - g. *Total Project Construction Cost*: The total of all construction expenses previously identified and described.
- (10) **Pro Forma**. Proposals requesting Revenue Generating Program funding may have up to 10 years to produce net revenues at least equal to the amount of funding. The following table shows the maximum years needed to generate a positive net revenue based on funding levels:

<b><u>Funding Requested</u></b>	<b><u>Maximum years to produce revenue</u></b>
Up to \$50,000	5 years
\$50,001-60,000	6 years
\$60,001-70,000	7 years
\$70,001-80,000	8 years
\$80,001-90,000	9 years
\$100,000 and over	10 years

Projects are evaluated on net revenue, not gross revenue, using the Project Summary Sheet, Pro Forma section. The proposal must realistically consider all costs of operation. Supporting documentation must be provided justifying the estimated revenue or expense. In addition to the data provided in the Pro Forma section of the Project Summary Sheet, the following definitions contain requirements for justifying pro forma expenses:

- a. **Gross Revenue**: Gross revenue includes any income received by the fair as a direct result of the project. This includes any cost savings as a direct result of the

project. Up to 20% of existing revenue source directly related to the project may be considered when calculating Gross Revenues. Include the basis for Gross Revenue projections and the calculations associated with this figure.

- b. Administration: Administration costs include, but are not limited to, current and additional staffing, as well as management time estimated to be required to properly and fully support the proposed project.
- c. Maintenance: Maintenance costs include, but are not limited to, janitorial, painting, plumbing, electrical, etc. Labor, supplies, and equipment must be realistically assessed. Proposals should consider annual maintenance costs as part of the project expense.
- d. Advertising: The cost of advertising includes, but is not limited to, materials and professional support, along with accurate rates for media promotion, if applicable.
- e. Utilities: Utility costs include, but are not limited to, power, water, gas, sewer and waste disposal, phones, etc. Rate increases are to be projected to increase at the same percentage as the preceding years, unless the proposal contains supporting documentation from local utility companies addressing new rate changes that are higher or lower than the average five-year growth rate.
- f. Maintenance Sinking Fund (MSF): The proposal must consider the replacement cost of the facility much as a private business would and depreciate all structures, renovations, utilities, and equipment using a straight line method as follows:

New building or major renovation	30 years
Minor building renovation	30 years
Mechanical equipment	5 years
Golf range/R.V. Park	30 years
Electrical	30 years
Paving	30 years

\*If the project does not fit into one of these categories, applicant must contact the Program Manager for a reasonable rate of depreciation.

- g. Other. Any other expense not included above must be described and included. Other expenses may include loan payments, security, insurance or taxes or operational expenses associated with the project.
- (11) Any other documentation necessary for the review committee to fully evaluate the proposal, if applicable.

### **Applicant Responsibility**

It is the applicant's responsibility to review and fully acquaint themselves with the program criteria, procedures, and announcements. Applicants are bound by the Revenue Generating Program Criteria and Procedures, program announcements, applicant's proposal, the project agreement, and any other documentation relevant to the funding of proposed projects.

### **Application Review and Determination**

The Revenue Generating Program Review Committee will consist of CFA members, and staff from Joint Powers Authorities and F&E. Upon satisfactory completion of the application requirements, the proposal will be forwarded to the Review Committee for evaluation. Utilizing the Proposal Review Criteria, the Review Committee will determine if the proposal is eligible for program funding. A proposal may be approved as submitted, approved with modifications agreed to by the Review Committee and the applicant, or rejected. If a proposal is rejected, the applicant

will be provided an explanation and may be given the opportunity to resubmit additional information for consideration.

### **Proposal Review Criteria**

The Review Committee proposal criteria will include, but is not limited to:

- (a) Fair revenue development or expansion potential;
- (b) Project capability to provide new, net fair income, including a comparison to prior years revenue;
- (c) Evaluation of the funding level requested including, but not limited to, a comparison to the total project cost and documented attempts to obtain alternative funding;
- (d) Ability of the project to provide the fair net income, equivalent to the amount of funding requested under this document, over a five or ten year period, whichever is applicable;
- (e) Review and evaluation of the applicant's reserve levels for each of the preceding five years;
- (f) Evaluation of existing and/or prior project status and performance;
- (g) Evaluation of Fair Installment Loan Program application materials or other supporting documentation, if applicable;
- (h) Evaluation of project impact on community;
- (i) Evaluation of laws and regulations pertaining to the fair or its project(s); and
- (j) Other criteria which the Review Committee, after notice to the applicant, determines is necessary for the proper and complete evaluation of the proposal.

### **Program Amendments**

F&E may revise the Revenue Generating Program Criteria and Procedures through the use of Program Announcements. Program Announcements will be incorporated annually into the Revenue Generating Program Criteria and Procedures.

### **Administration**

The Revenue Generating Program is under the general administrative responsibility of the Program Manager. All questions or comments regarding program criteria and procedures must be directed to the Program Manager, Pieter Tiche at (916) 263-2935:

Division of Fairs and Expositions  
1010 Hurley Way, Suite 200  
Sacramento, CA 95825  
Attn: Pieter Tiche

### **Definition of Terms**

**Applicant** - The fair organization applying for Revenue Generating Program funding.

**California Construction Authority (CCA)** - California Construction Authority (aka California Fairs Financing Authority), a joint powers authority organized pursuant to the provisions of the California Government Code.

**Director** - Director of the Division of Fairs and Expositions (F&E) or his/her designee.

**Division of Fairs & Expositions (F&E)** - Division of Fairs and Expositions, California Department of Food and Agriculture.



**Fair** - California fairs as specified in California Business and Professions Code §19418.

**Project** - A project proposed for funding or previously approved for funding under the Revenue Generating Program.

**Review Committee** - Individuals selected to review Revenue Generating Program applications, consisting of California Fairs Alliance (CFA) members, and staff from Joint Powers Authorities and F&E.

**Program Announcement** - An F&E issued announcement that provides program requirements, criteria, instructions, limitations, and procedures.

**Revenue Generating Program** - As described by this document, the program that provides funding to develop, expand, maintain or optimize fair revenue sources to expand opportunities for California fairs and support long-term development and stability in the industry.

**Program Manager** – The General Program Manager of the Revenue Generating Program, appointed by the Director and acting as program manager in his or her capacity.